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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 001482

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TAGS: [PREL](#) [MASS](#) [PREF](#) [IN](#) [NP](#) [BT](#) [UK](#)

SUBJECT: FOREIGN SECRETARY SARAN PESSIMISTIC ON NEPAL'S KING

Classified By: Acting DCM Geoffrey Pyatt. Reasons 1.4 (B, D)

11. (C) Summary: King Gyanendra's actions are "exactly opposite of what is required," Indian Foreign Secretary Shyam Saran told visiting Ambassador to Nepal James Moriarty on February 25. Ambassador Moriarty and Saran agreed on the need for concerted pressure on the King from India, the US, and the UK. Saran did not object to Ambassador Moriarty's comment that although the US plans to withhold the delivery of weapons until there is improvement in the political situation, non-lethal aid and military training would likely continue. Saran took a very tough line on the King, expressing pessimism about Gyanendra's ability to make the right moves, and agreed on the need for milestones that would demonstrate that the King is moving in the right direction. Saran also agreed to re-engage the government of Bhutan regarding the ongoing effort to repatriate Bhutanese refugees in camps in Nepal. End Summary.

12. (C) Stopping in New Delhi en route to Kathmandu following consultations in Washington, Ambassador Moriarty, accompanied by PolCouns and Poloff, called on Foreign Secretary Shyam Saran to discuss Indian and US views on the re-establishment of democracy in Nepal. Throughout the meeting, Saran expressed great suspicion of King Gyanendra's motives and the King's willingness to take steps that would lead to restoration of democracy in Nepal. Saran stated that while the King may "say the right things" in his statements, it was clear from his actions (e.g., his appointment of convinced monarchist Tulsi Giri as vice-chairman of the council of ministers) that he does not believe in multi-party democracy.

Maoists and Military Aid

13. (C) Saran expressed his belief that the King seeks to restore an absolute monarchy and does not understand how to defeat the Maoist insurgency. He said that the US, India and the King have a strong interest in preventing a Maoist takeover in Nepal, but the King's actions undermine that goal. If the King's actions ultimately led to stability and a Maoist defeat, the setbacks to democracy might be palatable to India, he opined. However, the February 1 dismissal of the government was "exactly opposite of what is required." Saran reiterated that the King had restrained the RNA from taking the fight to the Maoists prior to February 1 and that the dismissal of the government had not reversed that. In fact, stated Saran, the King's actions had necessitated further retrenchment of the RNA into the Kathmandu Valley, abandoning the field to the Maoists elsewhere. (Note: Embassy Kathmandu will coordinate with the Indian Embassy to check on this allegation. End note.) Much of Nepal outside the Valley was now "on autopilot," with no government presence, he asserted.

14. (C) Saran referred to the suspension of military aid by the UK and India as a much-needed "jolt" to bring the King back on the right track. He admitted that suspension was the only lever available, and hoped that the US and UK would be supportive. He noted that the announced suspensions left a gap in RNA supplies, but if the King felt there was even a "hint" that the RNA could fill that gap from other sources, then pressure would dissipate. Saran did not see a risk of imminent military collapse. Ambassador Moriarty informed Saran that the next anticipated US provision of lethal assistance would be the expected May delivery of 3,000 M-16 rifles, adding that if the King does not take steps to restore democracy by then, this consignment would be unlikely to proceed. However, non-lethal military aid and training (in particular JCETS training of the RNA Ranger units) are scheduled for March and April, and would probably be provided as planned. Ambassador Moriarty underlined that no final US decision has been taken in this regard. Saran did not respond to the news that US military training, like India's, would probably continue.

Working with the King and the Parties

15. (C) In response to Ambassador Moriarty's presentation of the steps that the King must take to show seriousness about restoring democracy (release of political detainees; restoration of most if not all of the constitutional freedoms; reaching out to the political parties to participate in the government), Saran agreed that the US and

India should press the King. However, the Foreign Secretary remained convinced that the King's goal was to consolidate his position as an absolute monarch. Saran noted that the King's situation had become "very bad," with even the initial popular support for his moves fading as production, food supplies, and even government customs revenues have been curtailed as a result of Maoist-initiated road closures.

16. (C) Saran agreed that the King realizes that his seizure of power was not as easy as he had initially thought, and he might respond to pressure. The Foreign Secretary noted signs of "desperation" in the King's latest statements, and speculated that this might, if true, allow India and the US to work with him. He highlighted the importance of leaving a way out for the King that would not humiliate him, adding that India had been careful not to attack the King personally for this reason.

17. (C) Ambassador Moriarty cautioned the GOI that creating a "democracy movement in exile" from the second-tier party activists who have moved to New Delhi could backfire: these individuals had relatively little clout inside Nepal and any assistance to them by the GOI would make most Nepalis suspect their motives. Acknowledging that the MEA has been in contact with these politicians, Saran stated that there was little danger of allowing them too much influence, as it was clear that the party leaders in Nepal would resume their roles upon being released. He speculated that continued shutting out the parties from political life would cause them to give up on a compromise with the King and fall in with the Maoists. He agreed on the necessity to maintain pressure on the Maoists to force them to realize that they will not achieve a Maoist state, and asserted that a united front of the parties with the monarchy is essential to maintaining that pressure.

Bhutanese Refugees

18. (C) Saran agreed that the signs of progress on repatriation of Bhutanese refugees achieved during the October 2004 visit of PRM A/S Dewey were frozen due to the crisis in Nepal. He suggested that the GOI could speak to the Bhutanese about their willingness to continue identifying and repatriating the refugees. Saran worried that if the Bhutanese heard about a concrete proposal to resettle refugees abroad, the RGOB would refuse to take any back. He felt it was most important to focus on repatriation of Category 1 refugees to get momentum going.

Comment

19. (C) We were struck by Saran's deep pessimism about the King's willingness to make good-faith efforts to restore democracy, which may reflect a sense of betrayal by the Palace. His exasperation may result to a considerable extent from India's multiple unheeded warnings to the King not to take this step. That said, when pressed, Saran was willing to acknowledge that continued concerted efforts by the GOI and USG might help convince the King to move in the right direction.

10. (U) Notable also was the positive local media coverage of Ambassador Moriarty's visit, which focused on the close coordination between the USG and GOI, and Ambassador Mulford's comments to the press that India had a leading role in responding to the Nepal crisis.

11. (U) Ambassador Moriarty has cleared this message.
MULFORD